

1 AN ACT concerning prompt payment.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The State Prompt Payment Act is amended by
5 changing Sections 1, 3-2, 3-3, 4, and 5 and by adding Section
6 3-4 as follows:

7 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

8 Sec. 1. This Act applies to any State official or agency
9 authorized to provide for payment from State funds, by virtue
10 of any appropriation of the General Assembly, for goods or
11 services furnished to the State.

12 ~~Except as provided in Section 2-1,~~ For purposes of this
13 Act, "goods or services furnished to the State" include but
14 are not limited to covered health care provided to eligible
15 members and their covered dependents in accordance with the
16 State Employees Group Insurance Act of 1971, including
17 coverage through a physician-owned health maintenance
18 organization under Section 6.1 of that Act.

19 For the purposes of this Act, "appropriate State official
20 or agency" is defined as the Director or Chief Executive or
21 his designee of that State agency or department or facility
22 of such agency or department. With respect to covered health
23 care provided to eligible members and their dependents in
24 accordance with the State Employees Group Insurance Act of
25 1971, "appropriate State official or agency" also includes an
26 administrator of a program of health benefits under that Act.

27 As used in this Act, "eligible member" means a member who
28 is eligible for health benefits under the State Employees
29 Group Insurance Act of 1971, and "member" and "dependent"
30 have the meanings ascribed to those terms in that Act.

31 As used in this Act, "a proper bill or invoice" means a

1 bill or invoice that includes the information necessary for
2 processing the payment as may be specified by a State agency
3 and in rules adopted in accordance with this Act.

4 (Source: P.A. 91-266, eff. 7-23-99.)

5 (30 ILCS 540/3-2) (from Ch. 127, par. 132.403-2)

6 Sec. 3-2. Beginning July 1, 1993, in any instance where
7 a State official or agency is late in payment of a vendor's
8 bill or invoice for goods or services furnished to the State,
9 as defined in Section 1, properly approved in accordance with
10 rules promulgated under Section 3-3, the State official or
11 agency shall pay interest to the vendor in accordance with
12 the following:

13 (1) Any bill approved for payment under this
14 Section must be paid or the payment issued mailed to the
15 payee within 60 days of receipt of a proper bill or
16 invoice the-date-of-approval. If payment is not issued
17 made-or-mailed to the payee within this 60 day period, an
18 interest penalty of 1.0% of any amount approved and
19 unpaid shall be added for each month or fraction thereof
20 after the end of this 60 day period, until final payment
21 is made.

22 (1.1) Unless otherwise provided by rules adopted
23 under Section 3-3 of this Act, a State agency shall
24 review each bill or invoice within 21 days after its
25 receipt. If the State agency determines that the bill or
26 invoice contains a defect, the agency shall notify the
27 vendor requesting payment within 21 days after receipt of
28 the bill or invoice. The notice shall identify the
29 defect and any additional information necessary to
30 correct the defect. If, within 5 business days after
31 receiving the notice, a vendor provides the information
32 necessary to correct the defect, then the required
33 payment date shall be 60 days from the date of the State

1 agency's original receipt of the bill or invoice. If the
 2 vendor fails to provide the necessary information within
 3 the 5 business days, the required payment date shall be
 4 calculated 60 days after the agency receives a proper
 5 bill or invoice.

6 (2) Where a State official or agency is late in
 7 payment of a vendor's bill or invoice properly approved
 8 in accordance with this Act, and different late payment
 9 terms are not reduced to writing as a contractual
 10 agreement, the State official or agency shall
 11 automatically pay interest penalties required by this
 12 Section amounting to \$50 or more to the appropriate
 13 vendor. Each agency shall be responsible for determining
 14 whether an interest penalty is owed and for paying the
 15 interest to the vendor. For interest of at least \$5 but
 16 less than \$50, the vendor must initiate a written request
 17 for the interest penalty when such interest is due and
 18 payable. The Department of Central Management Services
 19 and the State Comptroller shall jointly promulgate rules
 20 establishing the conditions under which interest of less
 21 than \$5 may be claimed and paid. In the event an
 22 individual has paid a vendor for services in advance, the
 23 provisions of this Section shall apply until payment is
 24 made to that individual.

25 (Source: P.A. 87-1232; 88-494.)

26 (30 ILCS 540/3-3) (from Ch. 127, par. 132.403-3)
 27 Sec. 3-3. The State Comptroller and the Department of
 28 Central Management Services shall jointly promulgate rules
 29 and policies to govern the uniform application of this Act.
 30 These rules and policies shall include procedures and time
 31 frames for approving a bill or invoice from a vendor for
 32 goods or services furnished to the State. These rules and
 33 policies shall provide for procedures and time frames

1 applicable to payment plans as may be agreed upon between
 2 State agencies and vendors. These rules and policies shall be
 3 binding on all officials and agencies under this Act's
 4 jurisdiction. These rules and policies may be made effective
 5 no earlier than July 1, 1993.

6 (Source: P.A. 88-554, eff. 7-26-94; 89-21, eff. 7-1-95.)

7 (30 ILCS 540/3-4 new)

8 Sec. 3-4. The State Comptroller must specify the manner
 9 in which State agencies shall record interest penalty
 10 payments made under this Act. The State Comptroller may
 11 require vouchers submitted for payment, including submission
 12 by electronic or other means approved by the Comptroller, to
 13 indicate the appropriate date from which interest penalties
 14 may be calculated as required under this Act.

15 (30 ILCS 540/4) (from Ch. 127, par. 132.404)

16 Sec. 4. Nothing in this Act ~~Neither--Section--2--nor~~
 17 ~~Section--3~~ shall be construed to deprive the Comptroller of
 18 his power to examine vouchers as specified in the State
 19 Comptroller Act.

20 (Source: P.A. 86-1475.)

21 (30 ILCS 540/5) (from Ch. 127, par. 132.405)

22 Sec. 5. The State remittance invoice-or-voucher shall
 23 indicate that payment of interest may be available for
 24 failure to comply with this Act.

25 (Source: P.A. 85-1159.)